THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI Y. CHIDAMBARAM): (a) Yes, Sir.

(b) Appropriate steps have been taken in this regard.

(c) A police patrolling party was attacked by some terrorists with remote control bombs in Majitha near Amritsar. Two PHG jawans were killed and one Asstt. Sub-Inspector and two PHG jawans were injured. One police jeep was also damaged.

Counter-trade with Bofors

2407. SHRI KAILASH PATI MISHRA:
SHRI ATAL BIHARI VAJPAYEE:

Will the Minister of COMMERCE be pleased to state:

(a) whether the counter-trade with Bofors was discussed at an early stage of the contract, so as to know from different parties as to who offered the best package to India, or it was discussed at a very late stage when the negotiations for the contract had been practically completed; and

(b) if discussed at a late stage, what are the reasons for which all possible other parties were not explored at an early stage so as to have the best package in India's interest and what have been the consequences of such an exploration having not been made?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) and (b) Counter-trade package was sought immediately on commencement of technical and commercial negotiation in December, 1985 with the two short listed firms. The counter-trade package considered better was accepted.

Malpractices by Non-resident Indians in collusion with Banks

2408. SHRI KAILASH PATI MISHRA:
SHRI ATAL BIHARI VAJPAYEE:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a report published in the Indian Express dated the 14th January, 1989 stating that many leading international banks and also overseas branches of some of the Government owned Indian banks in collusion with some 'syndicates' of powerful non-resident Indians, are pocketing and sharing around Rs. 130 crore every year from the Government offered 1.5 to 2 percent higher interest over the rate prevailing in the international market under the two schemes; i.e. Foreign Currency Non-Resident Deposits and Non-Resident Rupee Account;

(b) if so, what are the facts in this regard and steps taken to stop this differential interest out-flow through the above mentioned collusion; and

(c) whether about 80 percent of the funds in these schemes are held by a few high-value accounts, which can put Government to ransom by sudden with-drawals; if so, what precautionary steps have been taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) During 1985, some irregularities in this regard were brought to the notice of the Reserve Bank of India. Accordingly RBI have already issued instructions to all Indian banks having foreign branches and foreign banks operating in India in this regard.